

MEDIUM-TERM EXPRESS CREDIT PROGRAM Supplement

This form must be used in conjunction with applications for Insurance (replaces Attachment 1) or Final Approval of a Guarantee under the EXPRESS Credit Program ("Program") which is limited to transactions with a Financed Portion of \$1 million or less. All appropriate blocks must be checked, and Part VIII signed by an authorized officer of the Participating Lender.

I. LOAN STRUCTURE

A. Purpose of the Loan – Describe the products and the purpose of the loan (i.e. expansion, replacement, etc.)

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B. Amounts

1. U.S. Content	\$
2. Eligible Foreign Content	\$
3. U.S. Contract Price (sum of 1. plus 2.)	\$
4. Cash Payment	\$
5. Financed Portion of the U.S. Contract Price (3. minus 4.)	\$
6. Exposure Fee	\$
7. Total Financed (The sum of 5. plus 6. if the Exposure Fee is financed)	\$

C. Repayment Terms

1. _____ Number of equal semi-annual principal payments
2. _____ The repayment terms do not exceed the maximum allowable

Financed Portion of the U.S. Contract Price	Maximum Repayment Term Allowed
Less than \$80,000	Two years
\$80,000 to \$174,999	Three years
\$175,000 to \$349,999	Four years
\$350,000 to \$1,000,000	Five years

D. Lender's Interest Rate:

1. Fixed Interest Rate. The Fixed Interest Rate is: _____
2. Floating Interest Rate. The spread over the applicable benchmark is: _____

LIBOR

Prime

Treasury

Other (Specify)

- E. Lender's Fees:** Detail all fees paid to the Lender, or the Lender's Agent(s) by the Supplier, Exporter, End-User, Buyer, Borrower or Guarantor.

Fees Paid to Whom	\$ Amount	Description

- F. Lender Imposed Special Conditions.** Detail all Lender imposed special conditions:

1. Loan Agreement
2. Collateral (Specify details including type of collateral, lien position, etc)
3. Other (Specify)

- G. Supplier and Exporter Eligibility --** To the best of our knowledge the Exporter(s) or Supplier(s):

1. Are able to perform their contractual obligations under the export contract.
2. Are not currently, nor have been within the preceding three years debarred, suspended or declared ineligible from participating in any Federal transaction.

- H. Primary Source of Repayment –** The Primary Source of Repayment ("PSOR" or "PSR") is the entity upon which the credit analysis is based. Unless otherwise indicated, program standards apply to the Primary Source of Repayment, which may be the buyer, borrower, or a corporate guarantor. If the PSOR has outstanding obligations with Ex-Im Bank check with Ex-Im Bank for defaults or other credit matters

Name:

- the PSOR is not a financial institution and does not have a long-term hard currency rating, please proceed to **section II**.
- the PSOR is not a financial institution and does have a long-term hard currency rating, please proceed to **section III**.
- the PSOR is a financial institution and does not have a long-term hard currency rating, please proceed to **section IV**.
- the PSOR is a financial institution and does have a long-term hard currency rating, please proceed to **section V**.
- the cover requested is Political Only, please proceed to **section VI**.
- the PSOR is sovereign, please proceed to **section VII**.

II. PRIMARY SOURCE OF REPAYMENT IS NOT A FINANCIAL INSTITUTION AND DOES NOT HAVE A LONG-TERM HARD CURRENCY RATING

A. Primary Source of Repayment

1. Year established:
2. Legal status:
3. Ownership (Include names of shareholders who own 10%+):
4. Business activities:
5. The PSOR has been in existence and in the same general line of business at least 3 years.
6. Principal subsidiaries, related and commonly owned companies: Describe nature of relationship and business activities below.

Name	Nature of relationship	Business activity

7. Country Limitation Schedule – The country of the Borrower/End-user is open for medium-term business and Discretionary Credit Limits under the Short Term Insurance Program have not been withdrawn (e.g., Note #1 from the CLS is not in effect).

B. D&B or Veritas Credit Agency References (current as to six months from date of application)

1. Name of credit agency:
2. Report date:
3. The reference contains no material adverse information.

C. Creditor Bank Reference (current as to six months from date of application)

1. Bank name:
2. Report date:
3. The reference indicates no material adverse information

D. Performance Criteria (see Definitions)

1. Key Ratios	<u>Most Recent Year</u>	Meets Criteria
Net Cash Provided by Operations		Positive
EBITDA/Debt Service		Greater than 150%

The PSOR must meet both criteria in this section.

2. Ratios	<u>Previous Year</u>	<u>Most Recent Year</u>	Meets Criteria
Operating Profit			Both Positive
Net Income			Both Positive
Total Liabilities/Tangible Net Worth	N/A		Less than 175%
Ex-Im Bank Debt / TNW	N/A		Less than 40%

The PSOR must meet at least two of the four criteria

3. Interim Results – The interim financial results show no material deterioration in the PSOR’s financial condition.
4. Mitigant – If any criteria in Section 2. above was not met, explain why it is not judged to be material to the PSOR’s ability to repay the obligation.

E. Other Financial Criteria

1. To the best of our knowledge the PSOR is not in default on any financial obligation.
2. Attached are the PSOR’s financial statements for the last three fiscal years and interim statement if the FYE was more than 270 days from the date of this application.
3. All the financial statements include detailed notes, adequately disclose the PSOR’s financial condition, and were prepared in accordance with accounting principles that afford a reasonable basis for reliance on the information provided. If audited, the Auditor’s opinion is either (a) unqualified or (b) qualified with respect to amounts and circumstances not considered material to creditworthiness. If unaudited, the financial statements must be signed by the President, Chief Financial Officer, or other duly authorized official.
4. The Performance Criteria ratios were calculated from spreads prepared according to generally acceptable industry practices. The calculations are based on local currency spreads translated to USD using either the year-end or average exchange rates as published by the International Monetary Fund. Spreads are attached

F. Required Corporate Guarantees

1. Yes No More than 25 percent of sales or purchases of PSOR in last fiscal year were to/from a related or commonly owned company.
If yes, the guarantee of said entity(s) is required
2. Yes No The PSOR is a holding company If yes, the principle operating subsidiaries must act as guarantors
3. List all guarantors

<u>Name</u>	<u>Address</u>	<u>Reason for Guarantee</u>
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G. Required Personal Guarantees

1. Yes No PSOR revenue is less than \$50 million in last fiscal year. If yes, a personal guarantee is required of (a) individual with an ownership interest exceeding 50 percent and (b) if no individual owns more than 50 percent, any individual with ownership interest of at least 20 percent. (Personal financial statements are not required.) If yes, provide name(s) and address(es) below.

<u>Name</u>	<u>Address</u>	<u>Reason for Guarantee</u>
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H. Other Corporate or Personal Guarantees – The following additional guarantors are party to this loan but are not required under this program.

<u>Name</u>	<u>Address</u>	<u>Reason for Guarantee</u>
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Note: All corporate and/or personal guarantees must be joint and several.

III. PRIMARY SOURCE OF REPAYMENT IS NOT A FINANCIAL INSTITUTION, AND HAS HARD CURRENCY LONG-TERM RATING

A. Primary Source of Repayment

1. Year established:
2. Legal status:
3. Ownership (Include names of shareholders whom own 10%+):
4. Business activities:
5. The PSOR has been in existence and in the same general line of business at least 3 years.
6. Principal subsidiaries, related and commonly owned companies: Describe nature of relationship and business activities below.

Name	Nature of relationship	Business activity

7. Country Limitation Schedule – The country of the Borrower/End-user is open for medium-term business and Discretionary Credit Limits under the Short Term Insurance Program are in effect (Note #1).

B. D&B or Veritas Credit Agency References (current as to six months from date of application)

1. Name of credit agency:
2. Report date:
3. The reference contains no material adverse information.

C. Creditor Bank Reference (current as to six months from date of application)

1. Bank name:
2. Report date:
3. The reference indicates no material adverse information

D. Details of ratings

1. Rating Agency
2. Rating is _____ The rating is no riskier than Standard and Poor's long term B or Moody's long term B2. Other Rating Agencies equivalent must be pre-approved in writing by Ex-Im Bank.
3. Details of the debt rating
4. Last rating date can not exceed 12 months. Date rating was done or last reaffirmed _____
5. Interim Results – The interim results show no material deterioration in the PSOR's financial condition.

E. Other Financial Criteria

1. To the best of our knowledge the PSOR is not in default on any financial obligation.
2. Attached are the PSOR's financial statements for the last three fiscal years and interim statement if the FYE was more

than 270 from date of receipt of application

3. All the financial statements include detailed notes, adequately disclose the PSOR's financial condition, and were prepared in accordance with accounting principles that afford a reasonable basis for reliance on the information provided. If audited, the Auditor's opinion is either (a) unqualified or (b) qualified with respect to amounts and circumstances not considered material to creditworthiness. If unaudited, the financial statements must be signed by the President or Chief Financial Officer, or other duly authorized official.

F. Required Corporate Guarantees

1. Yes No More than 25 percent of sales or purchases of PSOR in last fiscal year were to/from a related or commonly owned company.
2. Yes No The PSOR is a holding company **If yes, the principle operating subsidiaries must act as guarantors**
3. List all guarantors

<u>Name</u>	<u>Address</u>	<u>Reason for Guarantee</u>
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G. Required Personal Guarantees

1. Yes No PSOR revenue is less than \$50 million in last fiscal year.
If yes, a personal guarantee is required of (a) individual with an ownership interest exceeding 50 percent and (b) if no individual owns more than 50 percent, any individual with ownership interest of at least 20 percent. Personal financial statements are not required. If yes, provide name(s) and address(es) below.

<u>Name</u>	<u>Address</u>	<u>Reason for Guarantee</u>
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H. Other Corporate or Personal Guarantees – The following additional guarantors are a party to this loan but are not required under this program.

<u>Name</u>	<u>Address</u>	<u>Reason for Guarantee</u>
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Note: All corporate and/or personal guarantees must be joint and several.

IV. PRIMARY SOURCE OF REPAYMENT IS A FINANCIAL INSTITUTION AND DOES NOT HAVE HARD CURRENCY LONG-TERM RATING

A. Primary Source of Repayment

1. Year established:
2. Legal status:
3. Ownership (list all shareholders whom own 10%+):
4. Business activities:
5. The PSOR has been in existence and in the same general line of business at least 3 years.
6. Principal subsidiaries, related and commonly owned companies: Describe nature of relationship and business activities below.

Name	Nature of relationship	Business activity

7. Country Limitation Schedule – The country of the Borrower/End-user is open for medium-term business and Discretionary Credit Limits under the Short Term Insurance Program are in effect (Note #1).

B. D&B or Veritas Credit Agency References (current as to six months from date of application)

1. Name of credit agency:
2. Report date:
3. The reference contains no material adverse information.

C. Creditor Bank Reference (current as to six months from date of application)

1. Bank name:
2. Report date:
3. The reference indicates no material adverse information

D. Performance Criteria

- | | | | |
|----|----------------------------|--------------------------------|------------------------------|
| 1. | <u>Key Ratios</u> | <u>Most Recent Year</u> | <u>Meets Criteria</u> |
| | Liquid Assets/Total Assets | | Greater than 10% |
| | Borrowed Funds/Net Loans | | Less than 100% |

The PSOR must meet both criteria

- | | | | |
|----|--|--------------------------------|------------------------------|
| 2. | <u>Ratios</u> | <u>Most Recent Year</u> | <u>Meets Criteria</u> |
| | Net Income/Average Total Assets | | Greater than 1% |
| | Loan Loss Reserves/Non-Performing Loans | | Greater than 80% |
| | Shareholders' Equity/Total Assets | | Greater than 5% |
| | Ex-Im Bank Exposure/Shareholders' Equity | | Less than 40% |

The PSOR must meet at least two of the four criteria

3. Interim Results – The interim financial results show no material deterioration in the PSOR's financial condition.

4. Mitigant – If any criteria in Section 2. above was not met explain why it is not judged to be material to the PSOR's ability to repay the obligation.

E. Other Financial Criteria

1. To the best of our knowledge, neither the PSOR nor any of its related or commonly owned company is in default on any financial obligation.
2. Attached are the PSOR's audited financial statements for the last three fiscal years and interim statement if the FYE was more than 270 days ago.
3. All the financial statements include detailed notes, adequately disclose the PSOR's financial condition, and were prepared in accordance with accounting principles that afford a reasonable basis for reliance on the information provided. The Auditor's opinion is either (a) unqualified or (b) qualified with respect to amounts and circumstances not considered material to creditworthiness.
4. The Performance Criteria ratios were calculated from spreads prepared according to generally acceptable industry practices. The calculations are based on local currency spreads translated to USD using either the year-end or average exchange rates as published by the International Monetary Fund. Spreads are attached

F. Required Corporate Guarantees

1. Yes No More than 25 percent of sales or purchases of PSOR in last fiscal year were to/from a related or commonly owned company.
2. The PSOR is a holding company Yes No **If yes, all of the principle operating subsidiaries must act as guarantors**
3. List all guarantors

<u>Name</u>	<u>Address</u>	<u>Reason for Guarantee</u>
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G. Other Corporate or Personal Guarantees – The following other guarantees are a party to this loan but are not requirements under this program.

<u>Name</u>	<u>Address</u>	<u>Reason for Guarantee</u>
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Note: All corporate and/or personal guarantees must be joint and several.

V. PRIMARY SOURCE OF REPAYMENT IS A FINANCIAL INSTITUTION AND HAS HARD CURRENCY LONG-TERM RATING

A. Primary Source of Repayment

1. Year established:
2. Legal status:
3. Ownership (Include all names of shareholders who own 10%+):
4. Business activities:
5. The PSOR has been in existence and in the same general line of business at least 3 years.
6. Principal subsidiaries, related and commonly owned companies: Describe nature of relationship and business activities below.

Name	Nature of relationship	Business activity

7. Country Limitation Schedule – The country of the Borrower/End-user is open for medium-term business and Discretionary Credit Limits under the Short Term Insurance Program are in effect (Note #1).

B. D&B or Veritas Credit Agency References (current as to six months from date of application)

1. Name of credit agency:
2. Report date:
3. The reference contains no material adverse information.

C. Creditor Bank Reference (current as to six months from date of application)

1. Bank name:
2. Report date:
3. The reference indicates no material adverse information

D. Details of ratings

1. Rating agency
2. Rating is _____ The rating is no riskier than Standard and Poor's long term B or Moody's long term B2. Other Rating Agencies equivalent must be pre-approved in writing by Ex-Im Bank.
3. Details of the debt rating
4. Last rating date can not exceed 12 months. Date rating was done or last reaffirmed _____
5. Interim Results – The interim financial results show no material deterioration in the PSOR's financial condition.

E. Other Financial Criteria

1. To the best of our knowledge the PSOR is not in default on any financial obligation.
2. Attached are the PSOR's financial statements for the last three fiscal years and interim statement if the FYE was more than 270 days from receipt of this application.

3. All the financial statements include detailed notes, adequately disclose the PSOR's financial condition, and were prepared in accordance with accounting principles that afford a reasonable basis for reliance on the information provided. The Auditor's opinion is either (a) unqualified or (b) qualified with respect to amounts and circumstances not considered material to creditworthiness.

F. Required Corporate Guarantees

1. Yes No More than 25 percent of sales or purchases of PSOR in last fiscal year were to/from a related or comm only owned company.
2. Yes No The PSOR is a holding company **If yes, the principle operating subsidiaries must act as guarantors**
3. List all guarantors

<u>Name</u>	<u>Address</u>	<u>Reason for Guarantee</u>
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- G. Other Corporate or Personal Guarantees** – The following guarantor are a party to this loan but are not required under this program.

<u>Name</u>	<u>Address</u>	<u>Reason for Guarantee</u>
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Note: All corporate guarantees must be joint and several.

VI. POLITICAL COVERAGE ONLY

A. Primary Source of Repayment

1. Year established:
2. Legal status:
3. Ownership (Include names of all shareholders whom own 10%+):
4. Business activities:
5. The PSOR has been in existence and in the same general line of business at least 3 years.
6. Principal subsidiaries, related and commonly owned companies: Describe nature of relationship and business activities below.

Name	Nature of relationship	Business activity

7. Country Limitation Schedule – The country of the Borrower/End-user is open for medium-term business and Discretionary Credit Limits under the Short Term Insurance Program are in effect (Note #1).

B. D&B or Veritas Credit Agency References (current as to six months from date of application)

1. Name of credit agency:
2. Report date:
3. The reference contains no material adverse information.

C. Other

1. To the best of our knowledge the PSOR is not in default on any financial obligation.

D. Other Corporate or Personal Guarantees – The following other guarantors are a party to this loan but are not required under the program

<u>Name</u>	<u>Address</u>	<u>Reason for Guarantee</u>
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VII. SOVEREIGN

A. Primary Source of Repayment

1. We are in possession of a written statement from the sovereign borrower or guarantor that states that a sovereign guarantee is available for the transaction
2. Country Limitation Schedule – Domicile acceptable according to Country Limitation Schedule. If note #13 is referenced please call Ex-Im Bank to determine if cover is available under this program.

VIII. CERTIFICATIONS BY PARTICIPATING LENDER

1. Acknowledgment of Ex-Im Bank Reliance. We acknowledge that the information set forth in this Supplement are material representations of fact upon which reliance will be placed by Ex-Im Bank in connection with the financing of the purchase of the Items and that, if it is later determined that we knowingly entered into an erroneous statement, Ex-Im Bank may pursue any available remedies, which may include remedies available to the United States government such as suspension or debarment pursuant to the Debarment Regulations. We will provide additional information with regard to any of the matters discussed in this Supplement upon Ex-Im Bank's reasonable request.
2. Due Authorization. Execution of this Supplement constitutes a representation that the signer(s) are fully authorized to do so on behalf of the Participating Lender. We understand that any person who makes a false representation to Ex-Im Bank may be subject to fine and/or imprisonment pursuant to 18 U.S.C. §1001. We agree that, upon request, we will provide Ex-Im Bank with evidence of authority with respect to the person(s) signing this Supplement.

[Participating Lender]

By: _____
(Signature of Authorized Signatory)

Name: _____
(Print)

Title: _____
(Print)

Definition of Terms in Performance Criteria

- **Borrowed Funds** are interbank borrowings *plus* notes, bills, and bonds payable.
- **Cash From Operations** is as defined using the FASB 95 Indirect Method under U.S. GAAP.
- **Debt Service** is interest paid during the most recent fiscal year *plus* CMLTD (Current maturities of long-term debt) at the end of the most recent fiscal year. If the proposed Ex-Im Bank financing is greater than 25% of total debt (including short term bank debt, long term bank debt, CMLTD, and any other scheduled debt obligations i.e. scheduled tax obligations or loans from shareholder) at the end of the most recent fiscal year, include in Debt Service the amount of the Ex-Im Bank financing that would be classified as CMLTD *plus* 12 months of interest on the Ex-Im Bank financing.
- **EBITDA** (Earnings before interest, taxes, depreciation, and amortization) is as reported in the financial statements.
- **Liquid Assets** are cash *plus* short-term marketable and trading securities *plus* government securities *plus* due from banks.
- **Loan Loss Reserves** are general and specific reserves available to absorb loan and other credit losses.
- **Net Loans** are loans and advances *minus* general and specific loan loss reserves.
- **Non-Performing Loans** are loans which are not producing current income *plus* loans with a high probability of restructuring or loss of principal.
- **Non-financial Institutions**
- **Operating Profit** and **Net Income** are as reported in the financial statements.
- **Tangible Net Worth** is shareholders' equity (as reported) *minus* intangible assets, such as goodwill, patents, and licenses.
- **Total Liabilities** are as reported in the financial statements.
- **Shareholders' Equity, Total Assets, and Net Income** are as reported in the financial statements.